



# FACT SHEET

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## *U.S.-Korea Free Trade Agreement* **Georgia Farmers Will Benefit**

September 2008

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The United States concluded free trade negotiations with Korea on April 1, 2007. The U.S.-Korea Free Trade Agreement (KORUS FTA) is the most commercially significant free trade agreement the United States has negotiated in nearly 20 years.

The KORUS FTA provides immediate elimination of duties on more than 60 percent of current U.S. exports and gives U.S. exporters improved access to the Korean market for many of the products that have been highly protected. The U.S. International Trade Commission estimates that annual U.S. agricultural exports to Korea will increase by a minimum of \$1.9 billion upon full implementation of the agreement.

The agreement eliminates tariffs and other barriers on most agricultural products, increasing export opportunities for a range of Georgia's agricultural products, including poultry, and cotton. Georgia's agricultural exports to all countries, estimated at \$1.5 billion in 2007, supported about 15,985 jobs, on and off the farm. These export sales make an important contribution to the Georgia farm economy, which had total cash receipts of \$6.8 billion in 2007.

**Poultry and Egg Products.** With cash receipts of \$3.1 billion in 2007, broilers are Georgia's leading agricultural industry and account for 47 percent of total farm earnings. Georgia is also the nation's largest broiler exporter.

- Korea's tariffs of 18 to 27 percent on frozen leg quarters, frozen breasts and wings, and frozen turkey cuts, will be phased out in 7 to 12 years.
- As the number 2 market for U.S. egg products, Korean tariffs of 27 percent on egg products, including egg yolks, will be phased out in 12 equal annual reductions.

**Cotton.** Cotton is the state's second largest agricultural industry with cash receipts of \$536 million, or 9 percent of farm earnings, in 2007.

- The FTA will lock in the duty-free access being enjoyed by U.S. cotton exporters. This permanent access allows U.S. cotton exports to continue to compete on a level playing field with Korea's other trading partners.

**Beef.** Accounting for 5 percent of state farm cash receipts at \$306 million in 2007, Georgia's cattle and calf industry will benefit from this FTA.

- For beef muscle meats, the FTA provides a 15-year straight-line tariff phase out with a safeguard that begins growing from 270,000 tons, a quantity that is 17 percent larger than our largest historical shipments.
- Technical consultations continue toward the goal of allowing imports to take place consistent with World Organization for Animal Health (OIE) guidelines.
- Following the May 2007 decision by the OIE classifying the United States as a controlled-risk country, Korea has announced that it will undertake in a timely manner its regulatory process toward expansion of market access for beef and beef products.

**Vegetables and Pulses.** Georgia exports of fresh and processed vegetables were estimated at \$76 million in 2007. Vegetable growers will benefit from this FTA.

- Tariffs on fresh cucumbers and canned and processed tomatoes will become duty free immediately.
- Other products such as pickled cucumbers, carrots, lettuce, and sweet corn, with duties ranging from 30 to 45 percent, will have tariffs phased out in either 5 or 10 years.
- The current 27-percent tariff on most pulses (peas, beans, and other legumes) will be eliminated within 5 years, while the tariff for lentils will be removed within 10 years

*For questions about the U.S.-Korea Free Trade Agreement and its impact on U.S. agriculture, please contact FAS Legislative and Public Affairs Office at (202)720-7115 or [LPA@fas.usda.gov](mailto:LPA@fas.usda.gov).*

*For detailed information on how the Agreement benefits specific commodities, please visit:*

*<http://www.fas.usda.gov/info/factsheets/Korea/us-koreaftafactsheets.asp>*